

STATE OF WASHINGTON**OFFICE OF
INSURANCE COMMISSIONER****BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON**

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In the Matter of NATIONWIDE) No. D 99 - 124
MUTUAL INSURANCE COMPANY,) CONSENT ORDER IMPOSING A FINE
An Authorized Insurer.)

FINDINGS OF FACT:

1. Nationwide Mutual Insurance Company, ("Nationwide") is authorized to transact insurance business in Washington state, including vehicle insurance.
2. On some unspecified date in 1998, Nationwide changed the premiums on auto policies issued to thirty insureds in Washington state, because of a change in their zip codes by the United States Postal Service. Twelve had premium decreases, and eighteen had premium increases. Three of the insureds filed consumer complaints with the Office of the Insurance Commissioner. A Compliance Officer investigating the matter contacted Nationwide, requesting that the insurer provide the names of all its insureds whose rates had been changed because of the change in their zip code. Nationwide cooperated and provided two lists: one of those whose premiums had been increased, and one of those whose premiums had been decreased. As to the second group, Nationwide left their premiums at the lower rate. As to the first group, their rates were returned to the correct level, and they received a credit for the overcharge.
3. The Insurance Commissioner finds that Nationwide did not act willfully in changing the premiums because of a change in zip codes by the United States Postal Service. The Insurance Commissioner also finds that Nationwide has now implemented a procedure for preventing this from happening again.

in the future.

CONCLUSIONS OF LAW:

1. WAC 284-24-110 provides that "An insurer shall not change an insured's rates solely because the insured's zip code has been changed by the United States Postal Service." Nationwide therefore committed 30 violations of this regulation.

2. RCW 48.05.140(1) provides that "The Commissioner may refuse, suspend, or revoke an insurer's certificate of authority, in addition to other grounds therefor in this code if the insurer...Fails to comply with any provision in this code other than those for violation of which refusal, suspension or revocation is mandatory, or (which) fails to comply with any proper order or regulation of the Commissioner..."

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3. RCW 48.05.185 provides that "After hearing or with the consent of the insurer, and in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of authority, the Commissioner may levy a fine upon the insurer"...in an amount from two hundred fifty dollars to ten thousand dollars per offence.

CONSENT TO ORDER:

1. Nationwide Mutual Insurance Company stipulates to the foregoing Findings of Fact and Conclusions of Law. It also stipulates to the payment of a fine in the total amount of \$5000

for thirty violations of WAC 284-24-110. In accordance with the provisions of RCW 48.05.185, this fine is to be paid in full within thirty days of the entry of this order in Olympia, Washington. Payment of this fine is in lieu of proceedings against the certificate of authority held by Nationwide in Washington state.

2. Nationwide acknowledges that it is subject to the requirements of Title 48 RCW, the Insurance Code, and Title 284 WAC, including WAC 284-24-110.

Executed this _____ day

of _____, 1999

Typed Name _____

Typed Title _____

Nationwide Mutual Insurance Company

ORDER:

Pursuant to RCW 48.05.140 and RCW 48.05.185, the Insurance Commissioner imposes a fine of \$5000 (five thousand and no/100) upon Nationwide Mutual Insurance Company. This fine is to be paid

within thirty days of the entry of this order in Olympia, Washington, otherwise the certificate of authority of the insurer will be revoked, and the fine shall be recovered on behalf of the Insurance Commissioner by the Attorney General.

ENTERED AT OLYMPIA, WASHINGTON, this _____ day of _____, 1999.

DEBORAH SENN

Insurance Commissioner

By _____

William Kay Kirby

Deputy Assistant Insurance

Commissioner